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CHINA HUIRONG FINANCIAL HOLDINGS LIMITED

中國匯融金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1290)

VOLUNTARY ANNOUNCEMENT

ESTABLISHMENT OF PAWNSHOP BUSINESS IN FUJIAN PROVINCE

This is a voluntary announcement made by China Huirong Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The Company is pleased to announce that, on 21 June 2023, Suzhou Huifang Tongda Information Technology Co., Ltd.* (蘇州匯方同達信息科技有限公司) (“**Huifang Tongda**”) and Jiangsu Zhongli Communication Technology Co., Ltd.* (江蘇仲利通信科技有限公司) (“**Zhongli Communication**”), each a wholly-owned subsidiary of the Company, entered into a capital contribution agreement (the “**Capital Contribution Agreement**”) with Ms. Lv Haihong (呂海紅女士) (“**Ms. Lv**”), a third party independent of and not connected with the Company and its connected persons, in relation to the proposed establishment of Fuzhou Huifang Pawnshop Co., Ltd.* (福州市匯方典當有限責任公司) (“**Fuzhou Pawnshop**”).

Pursuant to the Capital Contribution Agreement, the initial registered capital of Fuzhou Pawnshop is RMB30,000,000, of which, the capital commitment of each of Huifang Tongda, Zhongli Communication and Ms. Lv is RMB26,550,000, RMB450,000 and RMB3,000,000, representing 88.5%, 1.5% and 10% of the equity interest of Fuzhou Pawnshop, respectively. Upon establishment, Fuzhou Pawnshop will become a 90% indirect non-wholly owned subsidiary of the Company to conduct the Pawnshop Business (as defined below) in Fujian Province, the People’s Republic of China (the “**PRC**”).

Fuzhou Pawnshop will be established under the laws of the PRC with limited liability. The establishment of Fuzhou Pawnshop is subject to the approval of the Local Financial Supervision And Administration Bureau of Fujian Province* (福建省地方金融監督管理局) and the obtaining of a pawnshop operation licence and a business licence.

FUZHOU PAWNSHOP

Fuzhou Pawnshop will be owned as to 88.5% by Huifang Tongda, as to 1.5% by Zhongli Communication and as to 10% by Ms. Lv, respectively. Upon establishment, Fuzhou Pawnshop will become a 90% indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Group.

The initial registered capital of Fuzhou Pawnshop is RMB30,000,000, of which, Huifang Tongda, Zhongli Communication and Ms. Lv will contribute RMB26,550,000, RMB450,000 and RMB3,000,000, respectively, in proportion to their respective equity interests in Fuzhou Pawnshop.

Fuzhou Pawnshop will be principally engaged in the provision of secured loan services (including real estate backed loans and personal property backed loans) (the “**Pawnshop Business**”) in Fujian Province, the PRC.

REASONS FOR THE ESTABLISHMENT OF FUZHOU PAWNSHOP

The Group is principally engaged in the provision of diversified financial services, including pawnshop, micro-finance, commercial factoring, financial leasing, art investment, turnover loan fund, equity investment, special asset investment, etc. to its customers.

With the establishment of Fuzhou Pawnshop, the Group will expand the geographical coverage of its Pawnshop Business to customers located in Fujian Province. Whilst the Group currently operates its Pawnshop Business in Jiangsu Province, Sichuan Province, Hubei Province, Hunan Province, Anhui Province and Jiangxi Province of the PRC, the establishment of Fuzhou Pawnshop is a strategic step for the Group to leverage on its existing strength, resources and expertise to broaden its customer base and strengthen its dominant position in the pawnshop industry in the PRC.

The expansion of business in Fujian Province further demonstrates the Company’s successful transition from a regional provider of financing services to a national-wide provider of financing services and helps building the Group’s brand recognition in the pawnshop industry in the PRC.

By Order of the Board
China Huirong Financial Holdings Limited
WU Min
Chairman

Hong Kong, 21 June 2023

As at the date of this announcement, the executive directors of the Company are Mr. Wu Min, Mr. Qiu Wei, Mr. Zhang Changsong and Mr. Yao Wenjun, the non-executive directors of the Company are Mr. Ling Xiaoming and Ms. Zhang Shu, and the independent non-executive directors of the Company are Mr. Liang Jianhong, Mr. Feng Ke and Mr. Tse Yat Hong.

* *For identification purpose only*